

Message Text

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PAGE 01 STATE 130135

ORIGIN HUD-02

INFO OCT-01 NEA-10 ISO-00 COME-00 EB-07 OES-07 SS-15

AGRE-00 LAB-04 HEW-06 DOTE-00 TRSE-00 AID-05

NAS-01 NSF-02 OPIC-06 FAA-00 ERDA-07 NSC-05 /078 R

DRAFTED BY HUD/SFT: AANDREWS

APPROVED BY NEA/IRN: CWNAAS

CAGNE/BIC: MSMITH (IN DRAFT)

NEA/IRN: R W BEALES

-----070213Z 089924 /64

R 062204Z JUN 77

FM SECSTATE WASHDC

TO AMEMBASSY TEHRAN

UNCLAS STATE 130135

E.O. 11652:N/A

TAGS: BEXP, USIRJC, IR

SUBJECT: TARIFFS AND CBT PREFABRICATED FIBERGLAS HOUSES

REF: (A) STATE 54221 AND (B) 74967

1. QUESTION OF TARIFFS AND CBT ON FIBERGLAS HOUSES AND HOUSES CONTAINING OTHER PETROCHEMICAL DERIVATIVES SUCH AS POLYURETHANE HAS ARISEN AGAIN WITH RESPECT TO ANOTHER COMPANY INTERESTED IN IRANIAN HOUSING MARKET.

2. AMERICAN UNIMODULE CORPORATION HAS HOUSING SYSTEM DESIGNED SPECIFICALLY FOR DEVELOPING COUNTRIES. SYSTEM CONSISTS OF EXTRUDED ALUMINUM SKELETON WITH WALL, FLOOR, CEILING AND ROOF PANELS MADE OF SANDWICH BOARD CONSISTING OF POLYURETHANE WITH FIBERGLAS REINFORCED POLYESTER SKINS LAMINATED ON EITHER SIDE. EXTERIOR AND INTERIOR SURFACES CAN BE TREATED WITH VARIETY OF FINISHES TO MEET LOCAL
UNCLASSIFIED

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PAGE 02 STATE 130135

TASTES AND SPECIFICATIONS. PANELIZED CONSTRUCTION AND LIGHT WEIGHT OF COMPONENTS PERMITS MINIMUM SHIPPING COSTS AND EASY QUICK SITE ERECTION WITH UNSKILLED AND SEMI-SKILLED LABOR AND WITH NO NEED FOR HEAVY CONSTRUCTION EQUIPMENT.

3. COMPANY WAS CONSIDERING PARTICIPATION IN DECEMBER

BUILDING MATERIALS TRADE CENTER SHOW UNTIL IT LEARNED OF 100 PERCENT TARIFF ON HOUSING MADE WITH PETROCHEMICAL DERIVATIVES PLUS ADDITIONAL LEVY FROM CBT. COMPANY BELIEVES THESE COSTS MAKE ITS HOUSING UNITS UNCOMPETITIVE IN IRANIAN MARKET.

4. UNDERSTAND COMPANY SALES REPRESENTATIVE MORRIS NACHTOMI HAS DISCUSSED THIS PROBLEM WITH EMBASSY AND SUPPLIED EMBASSY WITH COMPANY LITERATURE.

5. INFORMATION RECEIVED BY CAGNE IN TRADE CENTER'S TELEX 0205TC MAY 22 STATES FIBERGLAS IMPORTED IS ASSESSED 25 PERCENT DUTY PLUS 15 RIALS/KILO CBT AND PLASTIC IS ASSESSED 30 RIALS/KILO DUTY PLUS 12 RIALS/KILO CBT.

6. WE HAVE CONFUSED PICTURE OF TARIFF AND CBT SITUATION RELATED TO HOUSING AND WILL APPRECIATE EMBASSY'S CLARIFICATION OF FOLLOWING POINTS:

(A) EMBASSY'S 5403 AND A-151 IN 1976 REPORTED REDUCTION OF DUTY ON PREFABRICATED HOUSES FROM 100-200 PER CENT TO 5 PER CENT AND ELIMINATION OF CBT. FIBERGLAS PREFAB HOUSES WERE EXCLUDED FROM THIS NEW SCHEDULE.

(B) TARIFF AND CBT RATES REPORTED TC TELEX ABOVE AGREE WITH INFORMATION WE HAVE IN IRAN'S PUBLISHED GENERAL EXPORT-IMPORT REGULATIONS FOR YEAR 2536 UNDER BTN 70.20 AND 39.07 FOR FIBERGLAS AND PLASTIC RESPECTIVELY.
UNCLASSIFIED

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PAGE 03 STATE 130135

(C) SAME REGULATIONS CITE FOR WOOD PREFAB (BTN 44.23) 40 PER CENT DUTY, NO CBT; FOR STEEL PREFAB (BTN 73.21) 10 PER CENT DUTY, NO CBT; AND FOR ALUMINUM (BTN 76.08) 20 PER CENT DUTY, NO CBT. NO REFERENCE MADE TO REDUCTION OF DUTIES REPORTED EMBASSY'S 5403.

(D) NO MENTION IS MADE OF PREFAB BUILDINGS IN CHAPTERS 39 AND 70 COVERING PLASTIC AND FIBERGLAS RESPECTIVELY. WE BELIEVE THEY WOULD PROBABLY FALL RESPECTIVELY UNDER 39.07 C-4 CALLING FOR 100 PER CENT DUTY AND 70.20 C-2 CALLING FOR 25 PER CENT DUTY PLUS 50 PER CENT CBT.

7. ACTION REQUESTED:

(A) PLEASE REPORT RESULTS OF ACTION REQUESTED REFTEL A. ASSUMING HOUSING OF THIS SORT MEETS BHRC PERFORMANCE SPECIFICATIONS AND IS MARKETABLE IN IRAN, IT SEEMS INCONSISTENT WITH MINHOUSING'S AIM OF ENCOURAGING INTRODUCTION

OF NEW INNOVATIVE SYSTEMS TO PREVENT ITS SALE IN IRAN SIM-
PLY BECAUSE OF TARIFF AND CBT DISPARITY WITH OTHER

HOUSING SYSTEMS.

(B) ADVISE CURRENT RATES OF TARIFFS AND CBT ON ALL TYPES
OF PREFAB HOUSING AND CLARIFY DISCREPANCIES IN LIGHT OF
PARAGRAPH 6 ABOVE.

8. FYI NEGOTIATIONS BETWEEN IRAN GUM TRAGACANTH AND
HALLCRAFT SUSPENDED DUE TO FAILURE TO AGREE ON PAYMENT
AND FINANCING TERMS. VANCE

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
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Decaption Note:
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Disposition Approved on Date:
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Disposition History: n/a
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Drafter: AANDREWS
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
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From: STATE
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Legacy Key: link1977/newtext/t19770686/aaaacxju.tel
Line Count: 128
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Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: e92d3984-c288-dd11-92da-001cc4696bcc
Office: ORIGIN HUD
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: 77 STATE 54221
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 26-Oct-2004 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2258810
Secure: OPEN
Status: NATIVE
Subject: TARIFFS AND CBT PREFABRICATED FIBERGLAS HOUSES
TAGS: BEXP, IR, USIRJC
To: TEHRAN
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/e92d3984-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009